

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Consumer Protection and Safety Division  
Utility and Payphone Enforcement Branch**

**RESOLUTION PSPC-1  
April 7, 2005**

**RESOLUTION**

RESOLUTION NO. PSPC-1 TO ADOPT THE BUDGETS FOR THE FISCAL YEAR FROM JULY 1, 2005, THROUGH JUNE 30, 2006, FOR THE PAYPHONE SERVICE PROVIDERS ENFORCEMENT PROGRAM (PSPE PROGRAM) AND THE PUBLIC POLICY PAYPHONE PROGRAM (PPP PROGRAM), TO ADOPT A NEW SURCHARGE LEVEL FOR THE PSPE PROGRAM, AND TO TRANSFER THE BALANCE OF THE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) PLACEMENT INTERIM COMMITTEE PROGRAM (TPIC PROGRAM) FUND TO THE DEAF AND DISABLED TELECOMMUNICATIONS PROGRAM FUND.

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**SUMMARY**

This resolution adopts the fiscal year 2005/06 budgets for the Payphone Service Providers Enforcement (PSPE) Program and the Public Policy Payphone (PPP) Program. Pursuant to Commission Decisions D.04-05-031 and D.04-05-032, the Commission transferred advisory board responsibility for the Telecommunications Devices for the Deaf (TDD) Placement Interim Committee (TPIC) Program from the Payphone Service Providers Committee (PSPC) to the Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC), effective June 26, 2004. This resolution fully implements that program change with the transfer of the TPIC Program fund balance to the Deaf and Disabled Telecommunications Program (DDTP) fund.

We adopt a budget of \$786,000 for the PSPE and \$145,000 for the PPP programs. The current PSPE Program surcharge rate of \$0.10 per pay telephone line per month, in effect since October 2001, will not be sufficient to fund the PSPE program in Fiscal Year 2005-2006. Therefore, the Commission staff recommends an increase in the surcharge to \$0.25 per pay telephone line per month for the PSPE program, effective May 18, 2005, to ensure adequate funding for the 2005/06 fiscal year. For the PPP program, because of the carryover fund estimated for the PPP program on July 1, 2005, the zero surcharge

rate adopted for this program in Resolution T-16590 shall continue until further order of the Commission. Having noted the comments filed regarding this resolution, we will adopt the staff's recommendation, and increase the surcharge for the PSPE program to \$0.25 per pay telephone line per month, effective May 18, 2005. We note the requests in the comments for a broader examination of the payphone programs. We direct the commenters to seek change in Commission policy through the appropriate proceedings(s) before the Commission that set Commission policy in the payphone programs.

The adopted budgets for the PSPE and PPP programs are set forth in ATTACHMENT A of this resolution.

The \$2,376,268.43 balance of the TPIC program fund, separately accounted for although combined in a single fund with those of the PSPE and PPP programs, will be transferred to the TADDAC program fund not later than 30 days after the effective date of this order. The Fund 0491 Reconciliation report showing the TPIC fund balance, revenue and expense, is set forth in ATTACHMENT B of this resolution.

## **BACKGROUND**

The following briefly summarizes the statutory requirements and development of the three payphone programs.

By Decision 90-16-018 in June 1990 the Commission standardized payphone service, set service requirements in California, and established the enforcement and public policy programs for payphones. By Decision 98-11-029 in 1998 the Commission expanded the payphone enforcement program statewide; declared its intention to reduce the surplus of approximately \$2,000,000 in the enforcement program fund; reduced the line surcharge used to fund the enforcement program; and applied the line surcharge evenly statewide. The surcharge was reduced to \$0.10 per line per month from \$0.668 in the Pacific Bell (now SBC) service territory, and from \$0.78 in the GTEC (now Verizon) service territory.

Effective October 1, 2001, pursuant to Senate Bill (SB) 669, the Commission internalized the operations of the PSPE Program, the PPP Program and the TPIC Program under the Consumer Services Division, now the Consumer Protection and Safety Division (CPSD). The trust funds for these programs were transferred to the Commission shortly after October 1, 2001, and thereafter transferred by the Commission to the State Controller. Effective June 26, 2004 the Commission, by Decisions 04-05-031 and 04-05-032, transferred advisory board responsibility for the TPIC program from the PSPC to the TADDAC. The remaining duties of the PSPC are, therefore, limited to the PSPE and PPP programs.

The passage of SB 669 established the PSPC as an advisory board to the Commission. This board replaced the TPIC and PSPE committees on October 1, 2001. The existing TPIC and PSPE members were retained as members of the PSPC on an interim basis, and the permanent committee was established at the April 29, 2003 meeting of the PSPC.

1. *The Payphone Service Providers Enforcement Program* Commission Decision 90-06-018, dated June 6, 1990, established, as part of an adopted settlement agreement, the Customer Owned Payphone (COPT) Enforcement Program to implement a payphone tariff enforcement program. Today, the PSPE is funded by a surcharge, ordered by the Commission, on all COPT lines within all service territories in California.

Prior to the implementation of SB 669, the purpose of the PSPC was to serve as a Commission advisory body with the responsibility to assist and make recommendations to the Commission regarding administration of the surcharge monies remitted to the PSPE and to implement the independent administration of payphone enforcement programs. The Committee also made recommendations to the PSPE for the enforcement of payphone consumer safeguards as set forth in the tariffs filed with the Commission. The purpose of the PSPE is to enforce the tariffs, rules and regulations of the Commission, including, but not limited to, signage requirements, rate caps for intraLATA and interLATA calls within the state by inspecting pay telephones, and by advising the Local Exchange Carriers (LECs) and Competitive LECs (CLECS) to disconnect pay telephones not in compliance with their respective tariffs.

Prior to October 1, 2001, the PSPE was staffed by eight inspectors and a supervisor who inspected payphones throughout the state to ensure compliance with state regulations. A statewide hotline, also administered by PSPE, has been available to respond to complaints and other inquiries by payphone users as well as payphone owners.

With the transfer of the PSP Program to the Commission on October 1, 2001, Commission staff on loan from other Commission programs continued statewide payphone inspections and received and responded to complaints and inquiries related to payphones. In June of 2002, CPSD hired four full-time, permanent payphone inspectors, all of whom are former employees of the COPT Program. Currently, the PSPE is staffed by those four inspectors.

2. *The Public Policy Payphone Program* Commission Decision 98-11-029, dated November 5, 1998, adopted policies and procedures for the PPPP. The PPPP provides payphones to the general public in the interest of public health, safety, and welfare at no charge at locations where there would otherwise not be a

payphone. Public policy payphones are placed at locations designated as emergency gathering places or locations where residents cannot individually subscribe to telephone service because of unavailability of facilities. Another requirement of Decision 98-11-029 is that there must be no other payphone located within 50 yards of the public policy payphone.

California has had a public policy payphone program in place since 1990, pursuant to Decision 90-06-018 (36 CPUC 2<sup>nd</sup> 446 at 461 (1990)). That Decision established the PPPP only in the service territories of Pacific Bell, now SBC and GTE California Incorporated (GTEC), now Verizon. Decision 98-11-029 expanded the PPPP statewide. The PSPC charter provides for advisory board oversight of the PPPP by the PSPC. Payphone inspectors visit and inspect sites where PP payphones have been proposed, and report their findings to the PSPC. The PSPC makes a determination as to whether or not the proposed site meets the criteria set forth in D.98-11-029 and makes its recommendation to the Commission accordingly.

3. *TDD Placement Interim Committee (TPIC)*. Pursuant to Decision 97-12-104, effective December 16, 1997, the Commission established the TPIC to design and implement a program that provides for publicly available telecommunications devices capable of servicing the needs of the deaf or hearing impaired in existing buildings, structures, facilities, and public accommodations as required by section 2881.2 of the Public Utilities (PU) Code. The TPIC is funded by an incremental surcharge of up to 0.0002, or 0.02%, applicable to the billing base to which the DDTP surcharge is applied. The maximum funding limit for the DDTP surcharge (the aggregate of both the DDTP and the TPIC surcharges) is capped at 0.50%.

Subject to the direction, control, and approval of the Commission, the TPIC's mission has been to determine and specify locations within existing buildings, structures, facilities and public accommodations for the placement of program equipment and to ensure consideration for the procurement, installation, and maintenance of the program equipment. The TPIC also advises the Commission on meeting the requirements of PU Code section 2881.2.

Effective January 1, 2004, SB 168 (Ch. 733, Stats. 2003) revised PU Code §279(a), eliminating the requirement that the PSPC shall advise the Commission on the TPIC program. The Commission, by Decisions 04-05-031 and 04-05-032, transferred responsibility for the TPIC program from the PSPC to the TADDAC Committee, effective June 26, 2004. The Commission, by Resolution T-16817 effective February 11, 2004, established the DDTP Program 2004-2005 Fiscal Year Budget, and in anticipation of its transfer of the TPIC program to the TADDAC

Committee, included provision in the TADDAC budget of \$360,374 to fund TPIC placement for FY 04/05.

## **DISCUSSION**

As the PSPE, PPPP and TPIC programs have been operated by CPSD since October 1, 2001, CPSD prepared the estimates for the fiscal year 2005/06–budget for the three programs. These estimates were presented to the PSPC in its April 20, 2004 meeting. Subsequently, the Commission transferred responsibility for the TPIC program from the PSPC to the TADDAC Committee.

For the PSPE Program, CPSD estimates an ending negative balance of \$319,070.10 on June 30, 2006. For the PPP Program, CPSD estimates an ending balance of \$449,628.07 on June 30, 2006. CPSD estimates that the current PSPE Program surcharge rate of \$0.10 per payphone line per month should increase to \$0.25 per payphone line per month effective the date this order would make the required advice letters effective, to meet the PSPE Program expenses during Fiscal Year 2005/2006.

CPSD staff presented to the PSPC at its April 20, 2004 meeting, preliminary 2005/2006 budget estimates that reflected an ending PSPE Program fund balance of negative \$249,057.52 and an ending PPP Program fund balance of \$506,513.05. CPSD staff informed the PSPC that it cannot recommend to the Commission a budget that would put the PSPE Program fund at a negative balance, and staff informed the PSPC that increases in the PSPE Program surcharge to \$0.25 per line per month beginning in early 2005 would be necessary to eliminate the deficit. The PSPC adopted the 2005/2006 budget presented at its April 20, 2004 meeting, but deferred making a recommendation for the surcharge fee level to the August 2004 meeting. With the transfer of the TPIC program out of the PSPC in June 2004 and the passage of a state budget in July that included two new payphone positions beginning in the 2004/05 Fiscal Year, staff prepared a revised budget for presentation at the August 2004 meeting of the PSPC. Although the PSPE Program expenses increased \$75,580 and the PPP Program expenses increased \$26,418 for the 2005/06 Fiscal Year budget as a result of these two events, the staff's recommendation of an immediate increase of the PSPE Program surcharge to \$0.25 per line per month and the continuation of a \$0.00 surcharge for the PPP Program is still appropriate.

At its August 10, 2004 meeting the PSPC received and reviewed CPSD staff's revised 2005/2006 Fiscal Year budget and proposed increase to the PSPE Program surcharge. However, the PSPC did not vote on either of these issues. Only three members of the PSPC attended the August 10, 2004 meeting. Although this achieved a quorum for the meeting, when the acting Chair recused herself (on advice of PUC Legal Division liaison) from the vote on the budget and surcharge increase agenda item, the remaining

two PSPC members did not constitute a quorum to vote on the budget and surcharge increase agenda item. PSPC members representing the payphone industry and local exchange carriers individually conveyed to PUC staff their disagreement with any proposed PSPE Program surcharge increase at this time.

We will not delay the needed increase in the line surcharge, recognizing that the payphone enforcement program budget for 2005/2006 may not be permitted to reduce to a negative balance.

We will, to help alleviate the need for any greater increase in the PSPE Program line surcharge next year, reduce the proposed 2005/2006 Fiscal Year PSPE Program budget to a level slightly below the 2004/05 Fiscal year budget, a reduction of \$49,000. The resulting adopted budget for the PSPE and PPP programs is provided in Attachment A. We will adopt the staff's recommendation, and increase the PSPE Program line surcharge to \$0.25, effective May 18, 2005.

The Commission has already transferred responsibility for the TPIC program from the PSPC to TADDAC, and has budgeted for TPIC placement by the TADDAC beginning in the 2004-2005 Fiscal Year with a budget allocation of \$360,374 in the TPIC budget within the overall DDTP program.

The adoption of a revised Fiscal Year 2005-2006 budget, resulting in an increase of the surcharge rate for the PSPE Program, requires the filing of an advice letter, accompanied by associated tariff sheets, revising the surcharge rate in accordance with Commission adopted resolutions and/or decisions. This advice letter should be filed on or before April 18, 2005, consistent with the provisions of General Order (G.O.) 96-A. The effective date shall be May 18, 2005.

In filing this advice letter, we will waive the notice requirements of G.O. 96-A, Section III, G.1. to furnish competing utility companies (either public or private) with copies of the related tariff sheets. This is because it does not appear to be in the public interest for each telecommunications carrier to send and receive notices about a regulatory change that each carrier already knows.

### **NOTICE/PROTESTS**

On December 6, 2004, CPSD placed a notice on the Commission's Daily Calendar of the availability of the proposed budgets and suggested surcharge rates for the PSPE and the PPP programs. The notice stated that any comments and/or protests must be made in writing and received by CPSD within 20 days. Comments were received from the San Diego Payphone Owners Association (SDPOA) and from the California Payphone Association (CPA). Both of the commenting parties noted a continuing decline in the

number of payphones in California, and an ever-increasing financial burden on the payphone industry due to the increasingly smaller number of payphones to fund the enforcement program. SDPOA recommends delaying approval of any budget for the 2005–2006 fiscal year for the PSPE program until the Commission has fully re-evaluated the need for and efficacy of the program. SDPOA urges the Commission, before it takes any action on this resolution, to re-assess the costs and benefits of the PSPE program, asserting that such examination of cost and benefit will reveal that the PSPE program is no longer justified at all or, at the very least, requires significant change to make it more meaningful for the public it is intended to serve and efficient for the Payphone Service Providers who must pay for it.

The comments of the CPA echo those of the SDPOA in opposition to the proposed increase in line surcharge. CPA suggests, as an alternative to the increase, that the Commission combine the fund for the PPP program with that of the PSPE program, and suspend the PPP program until a more sensible and effective means of achieving the Commission's public policy goals has been developed. CPA asserts that this will allow the PSPE program to continue to operate at its present scale without the need for an immediate surcharge increase. CPA urges that the Commission effect payphone enforcement by relying on its informal and formal complaint processes, and undertake investigation when service concerns arise, thereby arguably reducing the cost of the payphone enforcement to no more than the revenue produced from the current surcharge of \$0.10 per line per month. CPA further urges that the Commission incorporate whatever subsidy fund is needed for the PPP program into the Commission's Universal Telephone Service program, arguing that causing payphone service providers to bear the cost of both the PSPE and PPP programs will accelerate removal of marginally profitable payphones from locations where they are needed to serve universal service goals.

SDPOA's suggestion to delay any action on this resolution until the Commission re-evaluates the need for and efficacy of the PSPE program would require the Commission to assume that there are only minimal violations of the consumer safeguards established in prior decisions. As shown in Attachment C, the PSPE program has resulted in an overall improvement in Payphone compliance. Since the hiring of full time specialists to inspect payphones in mid-2002, and excluding a short learning period, violations decreased from a high of 2.3 per phone inspected to 1.3 per phone inspected. In addition, the number of violations per phone inspected and found to be in violation has improved since mid-2002, from an approximately 75% violation rate to about 38% in the most recent quarter measured. Although 1.3 violations per phone are still unacceptable, we are encouraged by the improvement as shown in Attachment C. We are not, however, persuaded to abandon a program we established to safeguard consumers without the public process that gave rise to the Payphone Enforcement program, particularly when it is apparent there is still a need for some level of continuing enforcement.

CPA's suggestion to combine the funds for the PSPE and PPP Programs is, at best, a short-term fix that would result in depleting both the PSPE and PPP Program funds by September 2006. To use the modest surplus in the PPP Program fund to subsidize the PSPE program for the next fifteen or so months would only result in a much more precipitous increase in both the PSPE and PPP program surcharges when the surplus is exhausted. Moreover, suspending and possibly abandoning a public policy program without hearing from affected parties would be in contravention of the Commission's process, and it's constitutional and statutory mandate.

We do not disagree that the trend of declining numbers of payphones renders problematic the current method of funding and, therefore, the present method of enforcing the PSPE program. However, we cannot embark in this budget resolution on actions as precipitate as immediate suspension of the programs we ordered in Decisions 90-06-018 and 98-11-029. The commenting parties urge the Commission to alter programs established by Decisions 90-06-018 and 98-11-029 and codified by the Legislature in P.U. Code Section 279, without benefit of public discussion of the issues raised in the proceedings that gave rise to the ordered programs. Parties who seek to change an issued decision must petition for modification of that decision, or apply to the Commission with a request for the relief or change needed, and must conform to the Commission's rules established for such filings.

As we noted in our discussion of the program budgets, we will reduce the PSPE program budget to a level slightly below the same level as the 2004/05 Fiscal year for the PSPE program fund, and effect the proposed increase to \$0.25 per line per month promptly, to avoid a negative balance at the end of the 2005/06 Fiscal year. We urge interested parties to file as soon as possible to seek those changes to the payphone programs needed to avoid a similar outcome in the subsequent budget cycle.

## **FINDINGS**

1. In June 1990, pursuant to Decision 90-06-018, the Commission established the enforcement and public policy programs for payphones in California.
2. In November of 1998, pursuant to Decision 98-11-029, the Commission expanded the payphone enforcement program statewide; reduced the line surcharge by \$0.568 in the Pacific Bell (now SBC) service territory and by \$0.68 in the GTEC (now Verizon) service territory; and applied the resulting \$0.10 per line per month uniformly statewide.
3. In October 2001, pursuant to SB 669, the Payphone Service Providers Enforcement (PSPE) Program, the Public Policy Payphone (PPP) Program and the TDD Placement



Interim Committee (TPIC) funds were forwarded to the Commission and thereafter forwarded to the State Controller.

4. Effective October 1, 2001, the PSPE, PPP and TPIC programs were internalized by the Commission for operation by the Consumer Services Division, now the Consumer Protection and Safety Division.
5. Public Utilities Code section 279 (a) established the Payphone Service Providers Committee (PSPC), which replaced the three payphone program committees, effective July 28, 2001.
6. Members of the former three payphone committees served as interim members until April 2003, when permanent members of the PSPC Advisory Committee were appointed and the Chair and Vice-Chair elected.
7. Public Utilities Code section 279(a) was revised by SB 168 (Ch. 733, Stats 2003) effective January 1, 2004, and eliminated the requirement that the PSPC shall advise the Commission on the TPIC program.
8. Effective June 26, 2004 the Commission, by Decisions 04-05-031 and 04-05-032, transferred responsibility for the TPIC program from the PSPC to the TADDAC.
9. Effective February 11, 2004, the Commission, by Resolution T-16817, adopted a budget for the Deaf and Disabled Telecommunications Equipment and Service (DDTP) Program for the 2004/2005 Fiscal Year that includes provision for the TPIC program, in anticipation of the transfer of advisory responsibility on TPIC from the PSPC to the TADDAC Committee.
10. The present surcharge of \$0.10 per payphone line per month will not generate sufficient revenue to fully fund expected expenses for the PSPE Program in the 2005/2006 Fiscal Year.
11. An increase of the surcharge to \$0.25 per payphone line per month, implemented with the effective date of this order, will generate sufficient revenue to fund the PSPE Program with an acceptable reserve at the end of 2005/2006 Fiscal Year.
12. The PPP Program fund balance anticipated for the 2005/2006 Fiscal Year is sufficient and does not require an increase in the PPP Program surcharge.
13. A budget of \$786,000 for the PSPE Program in fiscal year 2005/06, as set forth in ATTACHMENT A, is reasonable and should be adopted.

14. A budget of \$145,000 for the PPP Program in fiscal year 2005/06 budget, as set forth in ATTACHMENT A, is reasonable and should be adopted.
15. The present \$0.0 per payphone line per month surcharge for the PPP Program is reasonable and should continue until further order of the Commission.
16. The proposed \$0.25 per payphone line per month surcharge for the PSPE Program is reasonable and should be adopted.
17. For administrative efficiency, it is reasonable to allow all telecommunications carriers that collect the PSPE and the PPP Program surcharges, or surcharges for any other public program, to file advice letters by April 18, 2005, accompanied by associated tariff sheets, revising the surcharge rates in accordance with Commission resolutions and/or decisions.

**THEREFORE, IT IS ORDERED that:**

1. The fiscal year 2005/2006 budget for the Payphone Service Providers Enforcement (PSPE) Program and the Public Policy Payphone (PPP) Program set forth in ATTACHMENT A of this resolution is adopted.
2. The surcharge rate for the PSPE Program shall be increased to \$0.25 per pay telephone line per month, effective May 18, 2005, until further order of the Commission.
3. The surcharge rate for the PPP Program shall remain at zero until further order of the Commission.
4. The TPIC fund balance set forth in ATTACHMENT B of this decision shall be transferred to the DDTP program fund not later than 30 days after the effective date of this order.
5. All telecommunications carriers who are required to collect the surcharge rates for the PSPE and PPP Programs and any other public program shall file revised tariff sheets by advice letters in accordance with the provisions of General Order No. 96-A on or before April 18, 2005, in compliance with Commission resolutions/decisions. The advice letters shall become effective on May 18, 2005. In filing these advice letters, the telecommunications carriers are granted exemption from the noticing requirement of General Order No 96-A, Section III, G.1.

6. All Local Exchange Companies, Competitive Local Exchange Companies and Interexchange Companies are granted an exemption from the noticing requirements of General Order No. 96-A, for surcharge changes from this resolution only.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on the 7<sup>th</sup> day of April, 2005. The following Commissioners approved it:

/s/ STEVE LARSON  
**STEVE LARSON**  
**Executive Director**

MICHAEL R. PEEVEY  
President  
GEOFFREY F. BROWN  
SUSAN P. KENNEDY  
DIAN M. GRUENEICH  
Commissioners

## Attachment A

PSPE BUDGET FOR FISCAL YEAR 2005-2006  
PAYPHONE SERVICE PROVIDERS COMMITTEE

	<b>Budget FY 2004-2005</b>	<b>Proposed Budget FY 2005-2006</b>	<b>Adopted Budget FY 2005-2006</b>
Beginning Fund Balance	\$901,361.51	\$364,443.28	\$364,443.28
<b>Revenues</b>			
Projected Payphone Number	174,597	157,200	157,200
Payphone charge per month	\$0.10 / \$0.25 <sup>1</sup>	\$0.25	\$0.25
Revenue from payphone charge	\$246,181.77	\$471,600.00	\$471,600.00
Interest Income <sup>3</sup>	\$7,900.00	\$2,300.00	\$2,600.00
Total Revenue to Fund 0491	\$254,081.77	\$473,900.00	\$474,200.00
<b>Expenses</b>			
Committee Expenses	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
Admin/Staff Expenses	\$781,879.00	\$825,500.00	\$776,500.00
Interagency Expense	\$1,121.00	\$1,500.00	\$1,500.00
Total Program Expenses	\$791,000.00	\$835,000.00	\$ 786,000.00
<b>Projected Fund Ending Balance</b>	<b>\$364,443.28</b>	<b>\$ 3,343.28</b>	<b>\$ 52,643.28</b>

PPPP BUDGET FOR FISCAL YEAR 2005-2006  
PAYPHONE SERVICE PROVIDERS COMMITTEE

	<b>Budget FY 2004-2005</b>	<b>Proposed Budget FY 2005-2006</b>	<b>Adopted Budget FY 2005-2006</b>
Beginning Fund Balance	\$724,728.07	\$588,028.07	\$588,028.07
<b>Revenues</b>			
Projected Payphone Number			
Payphone charge per month	-0-	-0-	-0-
Revenue from payphone charge	-0-	-0-	-0-
Interest Income <sup>3</sup>	\$8,300.00	\$6,600.00	\$6,600.00
Total Revenue to Fund 0491	\$8,300.00	\$6,600.00	\$6,600.00
<b>Expenses</b>			
Committee Expenses	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Admin/Staff Expenses	\$115,098.00	\$112,000.00	\$112,000.00
Interagency Expense	\$ 902.00	\$ 1,000.00	\$ 1,000.00
Equipment and Contracts	\$ 27,000.00	\$ 30,000.00	\$ 30,000.00
Total Program Expenses	\$145,000.00	\$145,000.00	\$145,000.00
<b>Projected Fund Ending Balance</b>	<b>\$588,028.07</b>	<b>\$449,628.07</b>	<b>\$449,628.07</b>

<sup>1</sup> Assume PSPE surcharge rate of \$0.10 for 10.6 months of FY 2004/2005, then rate of \$0.25 for remaining 1.4 months of FY 2004/2005.

<sup>3</sup> Interest calculated at 1.25% of average program balance.

## Attachment B

PROGRAM FUND BALANCES, REVENUES AND EXPENSES  
PAYPHONE SERVICE PROVIDERS COMMITTEE

<b>FUND 0491 RECONCILIATION</b>			
	<b>PSPE PCA 15520</b>	<b>PPPP PCA 15510</b>	<b>TPIC PCA 15530</b>
<b><u>FUND BALANCE</u></b>			
October '01	\$1,761,227.93	\$827,999.90	\$2,386,595.96
Bank of America Closeout Dec '02	\$291,052.81	\$63,279.38	\$73,646.53
<b>Total Program Balance</b>	<b><u>\$2,052,280.74</u></b>	<b><u>\$891,279.28</u></b>	<b><u>\$2,460,242.49</u></b>
<b><u>Surcharge Revenue</u></b>			
Oct 01 – June 02	\$161,386.35	\$38,549.28	\$643.47
July 02 – June 03	\$249,874.55	–0–	\$339.48
July 03 – June 04	\$232,106.80	–0–	–0–
<b>Total Program Revenue</b>	<b><u>\$643,367.70</u></b>	<b><u>\$38,549.28</u></b>	<b><u>\$982.95</u></b>
<b>Interest Earnings:</b>			
July 01 – June 02	\$38,276.28	\$18,256.11	\$53,758.43
July 02 – June 03	\$36,379.39	\$17,500.27	\$52,182.63
July 03 – June 04	\$17,951.21	\$8,878.66	\$26,074.84
<b>Total Program Interest</b>	<b><u>\$92,606.88</u></b>	<b><u>\$44,635.04</u></b>	<b><u>\$132,015.90</u></b>
<b>TOTAL PROGRAM INCOME</b>	<b><u>\$2,788,255.32</u></b>	<b><u>\$972,002.73</u></b>	<b><u>\$2,593,241.34</u></b>
<b><u>Administrative Expenses</u></b>			
Oct 01 – June 02	\$417,742.33	\$60,154.12	\$25,632.04
July 02 – June 03	\$773,830.99	\$107,885.08	\$89,740.49
July 03 – June 04	\$692,819.33	\$80,493.17	\$95,053.90
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b><u>\$1,884,392.65</u></b>	<b><u>\$248,532.37</u></b>	<b><u>\$210,426.43</u></b>
<b><u>Interagency Expense</u></b>			
FY 03–04	\$2,501.16	\$1,203.16	\$3,587.68
FY 04–05	TBD	TBD	\$2,958.80
<b>Total Interagency Expense</b>	<b><u>\$2,501.16</u></b>	<b><u>\$1,203.16</u></b>	<b><u>\$6,546.48</u></b>
<b>TOTAL PROGRAM EXPENSE</b>	<b><u>\$1,886,893.81</u></b>	<b><u>\$249,735.53</u></b>	<b><u>\$216,972.91</u></b>
<b>Program Balances 07–01–04</b>	<b><u>\$901,361.51</u></b>	<b><u>\$724,728.07</u></b>	<b><u>\$2,376,268.43</u></b>

## Attachment C

